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DE RUEHRK #0022/01 0181852
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FM AMEMBASSY REYKJAVIK
TO RUEHC/SECSTATE WASHDC 2516
RUEHPNH/NVC PORTSMOUTH 0186
INFO RUEHCP/AMEMBASSY COPENHAGEN 0283
RUEHNY/AMEMBASSY OSLO 0205
RUEHSM/AMEMBASSY STOCKHOLM 0118
RUEHHE/AMEMBASSY HELSINKI 0107

UNCLAS REYKJAVIK 000022

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DEPT FOR CA/FPP, ALSO PASS TO KCC

E.O. 12958: N/A

TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [IC](#)

SUBJECT: FRAUD SUMMARY - ICELAND

REF: 05 STATE 205073

¶1. Summary: Iceland is comparatively a low-fraud country. No identifiable, consistent fraud patterns involving U.S. passports or immigrant visas currently exist in Iceland.
End Summary

¶2. This cable updates the country fraud summary for Iceland per ref A.

COUNTRY CONDITIONS: As a prosperous, democratic country with an extensive and generous social welfare system, Iceland is not generally characterized by the political, economic, and social conditions which create widespread fraud. Iceland has a large foreign-born population of approximately 8 percent. This group consists of both naturalized Icelandic citizens and permanent residents. Integration into Icelandic society by non-native populations can vary widely depending on individual circumstances and factors such as language, culture, employment and housing. Iceland participates in the Visa Waiver Program. Most Icelandic passports and national IDs are machine-readable and Iceland will start producing biometric passports in 2006. Obtaining fraudulent birth certificates or other registry items is difficult since all records are computerized, centrally stored, and easy to verify. At the same time, Iceland has a large number of asylum seekers who have not been able to document their identity. Most of them are able to obtain restricted Icelandic alien passports. In some cases, these insufficiently identified persons can even obtain Icelandic citizenship and passports, allowing them to travel on the Visa Waiver Program.

The overall adjusted refusal rate was 6.3 percent, down slightly from last year. A part-time FSN NIV specialist manages fraud prevention efforts at post. During FY2005 post focused its anti-fraud efforts on information sharing, training and management.

¶3. NIV FRAUD: Although petty NIV fraud is minimal, post pays careful attention to applicants seeking visas for extended visits (often in connection with unauthorized employment), young Icelandic applicants applying for a B1/B2 (with the intention of working as baby sitters), "new Icelanders" (who only recently obtained Icelandic citizenship), third-country nationals resident in Iceland, and non-resident NIV applicants. During FY2005, post received NIV applications from citizens from 44 countries. The most significant third country national groups are citizens of Poland (15 applications), Norway (12 applications), Lithuania (9 applications), Romania (6 applications), Denmark (6 applications) and Great Britain (6

applications).

Post receives approximately 2 turnaround reports each month, mainly for previous overstays on the Visa Waiver Program or evidence of intended illegal employment. Post had two NIV applicants that were suspected to have fraudulent passports. After taking these passports to the Icelandic Immigration Authorities and using their equipment to examine these passports post was assured that these passports were genuine, just in bad condition. One of the applicants obtained a new passport and qualified for a Visa. The other applicant was refused under 214b.

¶4. IV FRAUD: The IV units's main fraud concern is family based IV applications from third-country nationals with foreign birth, marriage and police certificates. During this period there was one suspected case. In that case there was a concern if a marriage between an American citizen husband and an Icelandic citizen wife was solely for Immigrant Visa purposes. The wife had an overstay in the U.S. and there was a concern if the marriage was genuine. A DHS officer from London came to Iceland to interview the couple and approved the petition. The case will be finished here in Iceland.

¶5. DV FRAUD: Post did not uncover any cases involving DV fraud during FY2005. The majority of DV applicants in Iceland are Icelandic citizens. That makes it easier for the post to examine documents.

¶6. ACS FRAUD: U.S. passport fraud is minimal at post. During this period there was one suspected case. The case involved an American soldier stationed in Bahrain whose Ethiopian wife obtained fraudulent documents for employment in Bahrain. Their child was born in Bahrain with the mother's fraudulent name on the birth certificate. The case is still open. False claims to U.S. citizenship and photo-substituted identification documents are the main fraud concerns in the ACS unit. Lost or stolen passport cases occur frequently as many tourists come to Iceland and lose their passports.

¶7. ADOPTION FRAUD: Post does not handle any adoption documents.

¶8. ASYLUM AND OTHER DHS BENEFITS FRAUD: Post did not uncover any cases involving asylum fraud during FY2005.

¶9. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: Cooperation between post and the Icelandic authorities issuing passports and investigating fraud is very good. The Border Police have excellent equipment to investigate fraudulent documents and have willingly assisted post whenever post has requested it.

¶10. AREAS OF PARTICULAR CONCERN: Iceland is a transit point for alien traffickers and refugees from China, Africa and Eastern Europe. It is relatively easy to obtain Icelandic refugee travel documents or alien passports even when the identity of the applicant is not clearly established. Some refugees become naturalized Icelandic citizens within three to seven years, and thus are eligible for travel on the Visa Waiver program. Post has also seen an increased number of media reports about alien smugglers trafficking Chinese women through Iceland to other countries in Western Europe and potentially to the United States.

¶11. STAFFING AND TRAINING: We do not have a Fraud Prevention Unit at post. All consular LES staff are cross-trained in basic fraud prevention tools and tactics. One of the LES staff received the Fraud Prevention training at FSI and held an information session at post sharing what she had learnt at FSI for the Consular Section and the Regional Security Office. The Consular Section used the Consular Leadership Day in January 2005 to strengthen the relationship between the section and the Icelandic Border Police at the airport. They showed post their equipment and how they make use of it. They also informed post of the

kinds of cases with which they had been dealing and how they had been able to detect these cases. Post recommends additional fraud prevention training for the Consular Officer.

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